

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED
7-07-16
04:59 PM

Application of Pacific Gas and Electric Company for
Adoption of Electric Revenue Requirements and Rates
Associated with its 2017 Energy Resource Recovery
Account (ERRA) and Generation Non-Bypassable
Charges Forecast and Greenhouse Gas Forecast Revenue
and Reconciliation (U 39 E)

Application 16-06-003
(Filed June 1, 2016)

**RESPONSE OF THE ALLIANCE FOR RETAIL ENERGY MARKETS
AND DIRECT ACCESS CUSTOMER COALITION**

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ALLIANCE FOR RETAIL ENERGY MARKETS
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July 7, 2016

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OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company for
Adoption of Electric Revenue Requirements and Rates
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Application 16-06-003
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**RESPONSE OF THE ALLIANCE FOR RETAIL ENERGY MARKETS
AND DIRECT ACCESS CUSTOMER COALITION**

Pursuant to Rule 2.6 of the Commission’s Rules of Practice and Procedure, the Alliance for Retail Energy Markets (“AReM”)¹ and the Direct Access Customer Coalition (“DACC”)² submit this joint response to the Application of Pacific Gas & Electric Company (“PG&E”) filed on June 1, 2016, in the above-captioned docket (“Application”) and noticed in the Commission’s Daily Calendar on June 6, 2015. This one-day late filing was due to an error by counsel in calendaring the appropriate due date and it is believed that no party is harmed by this late filing.

AReM and DACC’s primary interest in the proceeding is the calculation and rate treatment of costs that are charged to Direct Access (“DA”) customers. These include the Power Charge Indifference Amount (“PCIA”), the Competition Transition Charge (“CTC”) and the rate associated with the Cost Allocation Methodology (“CAM”) revenue requirement.

¹ AReM is a California non-profit mutual benefit corporation formed by electric service providers that are active in the California’s direct access (“DA”) market. This filing represents the position of AReM, but not necessarily that of a particular member or any affiliates of its members with respect to the issues addressed herein.

² DACC is a regulatory advocacy group comprised of educational, governmental, commercial and industrial customers that utilize direct access for all or a portion of their electrical energy requirements. In the aggregate, DACC member companies represent over 1,900 MW of demand that is met by both direct access and bundled utility service and about 11,500 GWH of statewide annual usage.

I. CALCULATION OF THE PCIA AND CTC MUST COMPORT WITH DECISION 11-12-018 AND RESOLUTION E-4475

In Track III of the DA Reopening Proceeding, Rulemaking 07-05-025, the Commission revised the calculation methodology for the PCIA and CTC. Decision (“D.”)11-12-018 and Resolution E-4475 set how the calculations should be performed. AReM and DACC are interested in insuring that the calculations in this Application are conducted properly and are done consistent with D.11-12-018 and Resolution E-4475.

II. ALL CAM RATES CHARGED TO DA CUSTOMERS MUST BE VERIFIED

The CAM rate was authorized in D.06-07-029, with the calculation methodology set in D.07-09-044. In D.10-12-035, the Commission adopted a settlement which established a non-bypassable charge that utilized the CAM approved to recover the net capacity costs of combined heat and power (“CHP”) and New System Generation resources. In D.10-07-034, the Commission further granted CAM rate treatment for the net capacity costs associated with the Marsh Landing Power Purchase Agreement (“PPA”). As DA customers are required to pay this charge, AReM and DACC must therefore review PG&E’s CAM rate calculations to verify that PG&E has implemented this charge in a fair and equitable manner consistent with the enabling decisions.

III. CATEGORY AND HEARINGS

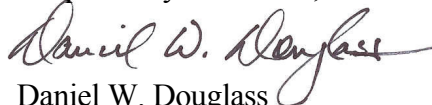
AReM and DACC agree that this matter should be categorized as ratesetting and anticipates that hearings may be required to examine the issues mentioned above.

IV. **REQUEST FOR PARTY STATUS**

Pursuant to Rule 1.4 of the Commission's Rules, AReM and DACC each request active party status in this proceeding. The interests of AReM and DACC are not represented by any party to this proceeding, and their comments herein are directly relevant to the issues raised by the Application.

AReM and DACC thank the Commission for its attention to this joint response to the PG&E ERRA application.

Respectfully submitted,



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